

## Message Text

SECRET

PAGE 01 PANAMA 03494 01 OF 02 191847Z  
ACTION ARA-14

INFO OCT-01 ISO-00 SS-15 SSO-00 /030 W  
-----046083 191911Z /45  
R 182219Z MAY 78  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 7077

S E C R E T SECTION 1 OF 2 PANAMA 03494

STADIS////////////////////////////////////

FOR ARA/PAN, GEORGE BROWN

E.O. 11652: GDS  
TAGS: OVIP (CARTER, JIMMY)  
SUBJECT: PRESIDENT'S VISIT: SCOPE PAPER

REF: UNDATED DRAFT SCOPE PAPER

1. THE FOLLOWING COMMENTS ARE KEYED TO THE REFERENCE  
DOCUMENT WHICH WAS RECEIVED IN THE POUCH LAST WEEK.

2. PAGE 1, SECOND AND THIRD ITEMS: CHANGES SHOULD BE  
MADE TO REFLECT THE FACT THAT THE EFFECTIVE DATE OF THE  
EXCHANGE OF RATIFICATIONS WILL BE APRIL 1, 1979.

3. PAGE 2, LINES 4 AND 5: STRIKE "AND MILITARY". SEE  
DISCUSSION AT PARA 10 BELOW.

4. PAGES 4 AND 5, STRIKE THIS PARAGRAPH ("IN SPITE OF...  
IN ANY CASE"), AND INSERT THE FOLLOWING: "THERE IS,  
HOWEVER, SOME OPPOSITION TO YOUR VISIT. SOME PANAMANIAN  
OPPOSITIONISTS, INCLUDING A MAJOR POLITICAL PARTY (THE  
PANAMENISTA PARTY), AND RECENTLY RETURNED POLITICAL  
EXILES SAY THAT YOUR PRESENCE WILL CONSTITUTE INTER-  
VENTION IN INTERNAL PANAMANIAN AFFAIRS. IN ADDITION,  
SECRET

SECRET

PAGE 02 PANAMA 03494 01 OF 02 191847Z

OPPOSITION IN PANAMA TO THE TREATIES THEMSELVES PERSISTS.  
IT IS COMPOUNDED BY THE STILL-DEBATED QUESTION OF WHETHER  
A SECOND PLEBISCITE IS REQUIRED. LEFTIST STUDENT GROUPS  
AND FOUR MAJOR POLITICAL PARTIES RECENTLY ISSUED A JOINT  
DECLARATION STATING THAT SENATE ACTION SO "MUTILATED"  
THE TREATIES THAT A NEW PLEBISCITE IS REQUIRED. OF THE  
FOUR PARTIES, ONLY THE LIBERAL PARTY, INITIALLY A SUP-

PORTER OF THE TREATIES, REMAINS UNCOMMITTED ON THEM AT THIS POINT. THE OTHERS HAVE DECLARED THEIR OPPOSITION TO THE TREATIES. THE POSITIONS OF THESE PARTIES IS BASED TO A LARGE EXTENT ON OPPOSITION TO TORRIJOS. HOW MUCH OF A POLITICAL FOLLOWING THE OLD-LINE PARTIES RETAIN, HAVING BEEN OFFICIALLY OUTLAWED FOR 10 YEARS, IS UNCLEAR BUT MAY BECOME APPARENT SOON: JUST PRIOR TO YOUR VISIT, ON JUNE 10, THE EXILED FORMER PRESIDENT OF PANAMA, PANAMENISTA PARTY LEADER ARNULFO ARIAS, DEPOSED BY TORRIJOS IN 1968, IS PLANNING A "TRIUMPHAL" RETURN TO PANAMA.

5. DELETE LAST THREE LINES OF PAGE 5 AND FIRST 8 LINES OF PAGE 6 THROUGH "NATIONAL GUARD". INSERT THE FOLLOWING FOR 'COMMUNITY REPRESENTATIVES'. THE COMMUNITY REPRESENTATIVES FUNCTION PRIMARILY AT THE LOCAL AND PROVINCIAL LEVELS, BUT ALSO FORM A NATIONAL ASSEMBLY, WHICH HAS FEW POWERS, BUT THE MOST NOTABLE BEING ELECTION OF A NEW PRESIDENT. THE AUGUST 6 ELECTIONS ARE UNLIKELY TO BE A TEST OF TORRIJOS' POPULARITY, SINCE THEY WILL PROBABLY BE DOMINATED BY LOCAL ISSUES--I.E., WHO CAN GET THE MOST FROM THE NATIONAL GOVERNMENT FOR THEIR COMMUNITITES. IN ANY CASE, TORRIJOS' OWN EXTRAORDINARY POWER UNDER THE PRESENT CONSTITUTION LAPSES ON OCTOBER 11, AND HIS PLANS FOR THE FUTURE ARE UNCERTAIN. HE COULD RUN FOR PRESIDENT, ASK THE COMMUNITY REPRESENTATIVES TO AMEND THE CONSTITUTION TO EXTEND HIS POWERS OR SIMPLY REMAIN AS HEAD OF  
SECRET

SECRET

PAGE 03 PANAMA 03494 01 OF 02 191847Z

THE NATIONAL GUARD."

6. PAGE 7, LINE 3, AT THE END OF PARAGRAPH, INSERT THE FOLLOWING: "PANAMANIAN OF WEST INDIAN EXTRACTION WHO WORK FOR THE PANAMA CANAL COMPANY ARE PARTICULARLY SENSITIVE WITH RESPECT TO THEIR FUTURE. MANY LIVE IN THE CANAL ZONE AND FEEL THEMSELVES MORE AMERICAN THAN PANAMANIAN AND WANT TO IMMIGRATE TO THE UNITED STATES. MOST ARE AFRAID OF SUFFERING ECONOMIC LOSSES BECAUSE OF THE TREATY. THIS IS PARTICULARLY INTENSE IN THE CASE OF THOSE EMPLOYEES WHOSE JOBS WILL BE SHIFTED TO PANAMA."

7. PAGE 12, LINES 6 THROUGH 9 (IN ADDITION...EFFECTIVE."). WE DO NOT OBJECT TO THE ESTABLISHMENT OF A GOVERNMENT-TO-GOVERNMENT JOINT COMMITTEE WITH PANAMA. IN FACT, SUCH A COMMITTEE MIGHT BE A USEFUL 'HAT' FOR THE GOP-PANCANAL COMMITTEE WHICH ALREADY EXISTS (THOUGH IT IS CALLED A WORKING GROUP) AND FOR ANY OTHER CONTACTS BEYOND THE SCOPE OF THE PANCANAL-GOP WORKING GROUP WHICH THE USG MAY DESIRE OR NEED TO CONDUCT. BUT THE PAPER SHOULD BE DRAFTED TO RECOGNIZE THE EXISTENCE OF THIS GOP-PANCANAL WORKING GROUP AND ITS SUBCOMMITTEES. WYROUGH AND CAMAUR

WILL HAVE FULL INFORMATION.

8. PAGE 12 WOULD SEEM TO BE AN APPROPRIATE PLACE TO MENTION PANAMA'S INTEREST IN EARLY DEVELOPMENT OF THE COCO SOLO PORT.

9. PAGE 12 AND 13, THE FIRST OF TWO POINTS SHOULD BE RE-DRAFTED TO REFLECT THE DRAFT PROTOCOL WHICH THE PRESIDENT AND GENERAL TORRIJOS WILL SIGN.

10. DELETE LAST TWO LINES OF PAGE 13 AND FIRST TWO LINES OF PAGE 14 AND INSERT THE FOLLOWING: "IN ADDITION, WE ARE PREPARED TO DISCUSS MILITARY PLANNING AND THE SECURITY ASSISTANCE PROGRAM AT THE PANAMANIAN GOVERNMENT'S  
SECRET

SECRET

PAGE 04 PANAMA 03494 01 OF 02 191847Z

EARLIEST CONVENIENCE." DISCUSSION: GENERAL TORRIJOS HAS MADE IT CLEAR TO MILGP AND SOUTHCOM OFFICERS THAT HE DOES NOT WANT TO MOVE TOO FAST ON THE MILITARY SIDE. GENERAL MCAULIFFE THINKS IT BEST NOT TO PUSH TOO HARD ON THIS AT THIS PARTICULAR JUNCTURE, AND WE AGREE. RIGHT NOW, WHAT PANAMA NEEDS MOST IS ECONOMIC, NOT MILITARY, ASSISTANCE.

SECRET

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SECRET

PAGE 01 PANAMA 03494 02 OF 02 191842Z  
ACTION ARA-14

INFO OCT-01 ISO-00 SS-15 SSO-00 /030 W  
-----045927 191912Z /45  
R 182219Z MAY 78  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 7078

SECRET SECTION 2 OF 2 PANAMA 03494

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11. PAGE 15 AT BOTTOM OF PAGE, ADD THE FOLLOWING: "--I AM INFORMED THAT JOINT PLANNING FOR IMPLEMENTATION IS ALREADY BEING CARRIED OUT IN A VERY COOPERATIVE FASHION

BY U.S. AND PANAMANIAN OFFICIALS ON THE ISTHMUS. YOU CAN LOOK FORWARD TO CONTINUED COOPERATION FROM THE AUTHORITIES OF MY GOVERNMENT AS THIS PROCESS ACCELERATES."

12. PAGE 16, LINES 6-8: DELETE "U.S. OBJECTIVES" SECTION AND SUBSTITUTE THE FOLLOWING: "U.S. OBJECTIVES: TO PROMOTE LONG-RANGE DEVELOPMENT OF THE PANAMANIAN DEFENSE INFRASTRUCTURE, AND TO ENCOURAGE THE DEVELOPMENT OF A VIABLE PANAMANIAN ECONOMY CAPABLE OF SELF-GENERATING GROWTH WITHOUT CONTINUED FOREIGN ASSISTANCE WHICH WILL CONTRIBUTE TO THE POLITICAL STABILITY OF THE AREA."

13. PAGE 16, LINES 12-13: DELETE PHRASE "ROLE AS THE COUNTRY'S ONLY ARMED FORCE."

14. PAGE 16, LINES 19-22 AND PAGE 17, LINES 1-2: DELETE ALL BETWEEN "INTERNATIONAL" AND "THE UNITED STATES." AND SUBSTITUTE THE FOLLOWING: "INTERNATIONAL AND DOMESTIC INVESTORS CAN BE EXPECTED TO TAKE PART IN THE RECOVERY OF PANAMA'S ECONOMY WHEN ITS GROWING STRENGTH AND STABILITY BECOME MORE EVIDENT. PANAMA WILL WANT TO IMPROVE THE INVESTMENT ATMOSPHERE; CONFIDENCE, STABILITY AND GROWTH  
SECRET

SECRET

PAGE 02 PANAMA 03494 02 OF 02 191842Z

WILL ATTRACT DESIRED PRIVATE CAPITAL. ANTICIPATED ECONOMIC COOPERATION BETWEEN THE U.S. AND PANAMA CONTEMPLATES CREDITS AND GUARANTEES INVOLVING CONSIDERABLE PRIVATE SECTOR PARTICIPATION FROM BOTH PANAMA AND THE UNITED STATES."

15. PAGE 17, LINES 5-8: DELETE SENTENCE "THE CONTENT... OBJECTIVES." AND SUBSTITUTE: "THE PROPOSED 50 MILLION DOLLARS FOREIGN MILITARY SALES CREDITS WILL PROBABLY BE OF LIMITED IF ANY VALUE TO PANAMA. BECAUSE OF ITS NATIONAL DEBT PROBLEM AND MORE PRESSING ECONOMIC NEEDS, PANAMA MAY DRAW DOWN VERY LITTLE OF THE CREDITS--AT LEAST IN THE SHORT TERM. PANAMA'S DEFENSE NEEDS WARRANT SPECIAL CONSIDERATION IN VIEW OF ITS SHARED ROLE IN CANAL DEFENSE. MORE ASSISTANCE THAN JUST LOANS--POSSIBLY GRANTS--WILL PROBABLY BE REQUIRED IF THEY ARE TO ACQUIRE MAJOR EQUIPMENT ITEMS SUCH AS AIRCRAFT OR PATROL BOATS IN THE NEAR-TO-MEDIUM TERM. MOREOVER, POLITICAL CONSIDERATIONS MAKE IT UNLIKELY THAT PANAMA WILL WANT TO GO MUCH BEYOND A MINIMUM IN MILITARY COOPERATION BEFORE THE TREATY GOES INTO EFFECT. EVEN SO, WE WILL NEED A CLOSE AND COOPERATIVE RELATIONSHIP WITH THE NATIONAL GUARD."

16. PAGE 17, SUGGEST FOLLOWING SUBSTITUTE, INCLUDING BOTH REORDERING AND REWRITING, FOR "POINTS TO BE MADE" SECTION:

--PANAMA'S ECONOMIC WELL BEING AND SECURITY ARE  
PRIORITY CONCERNS TO U.S. POLICY IN LATIN AMERICA.

--THE UNITED STATES STANDS READY TO IMPLEMENT THE  
FURTHER EXCHANGE OF NOTES REQUIRED TO ACTIVATE  
THE PROPOSED ECONOMIC AND MILITARY COOPERATION  
SECRET

SECRET

PAGE 03 PANAMA 03494 02 OF 02 191842Z

PROGRAM EXTERNAL TO THE TREATY.

--EACH COMPONENT OF THE ABOVE PROGRAM IS SUBJECT TO  
NORMAL PROGRAM REVIEW AND ADMINISTRATIVE CRITERIA.

--IT IS OF THE ESSENCE THAT U.S. AND PANAMANIAN  
PLANNERS COOPERATE CLOSELY TO INSURE MAXIMUM  
RESULTS FROM THIS PROGRAM AND EXPLORE ALL AVENUES  
TO ACHIEVE MUTUAL OBJECTIVES."

17. PAGE 18, PARAGRAPH 14, LINES 10 THROUGH 16. DELETE  
"IN RESPONSE...OF THE PRESS", AND SUBSTITUTE THE FOLLOW-  
ING: "IN RESPONSE TO OVERTURES BY OUR AMBASSADOR AND A  
NUMBER OF SENATORS, ESPECIALLY SENATOR BYRD, TORRIJOS  
WENT BEYOND THE DE FACTO RELAXATION OF RESTRICTIVE  
PRACTICES ON POLITICAL ACTIVITY HE INITIATED IN THE SUMMER  
OF 1977. HE ANNULLED THREE DECREES DENYING DUE PROCESS  
IN TRIALS OF CRIMES OF TERROR, AND LIMITING FREEDOM OF  
ASSEMBLY AND FREEDOM OF THE PRESS. ENACTMENT OF A NEW  
PRESS LAW IS CURRENTLY IN THE WORKS."

18. PAGE 18, LINE 19, BEFORE "TORRIJOS BELIEVES", INSERT  
THE FOLLOWING: "ALTHOUGH PANAMA'S PICTURE IS NOT ALL  
ROSES,".

19. PAGE 19, AMEND FIRST SENTENCE TO READ: "PANAMA'S  
REPEAL IN FEBRUARY OF DECREE LAWS RESTRICTING FREEDOM OF  
THE PRESS AND FREEDOM OF ASSEMBLY AND LIMITING DUE PROCESS  
IN TRIALS FOR CRIMES OF TERROR ENHANCED PANAMA'S STANDING  
IN THE WORLD COMMUNITY." JORDEN

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## Message Attributes

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